



20 October 2009
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The Company Announcement Platform
Australian Stock Exchange Limited
Level 8, Exchange Plaza
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PERTH WA 6000

RSL TO UNDERTAKE CAPITAL RAISING AND SEEK RE-LISTING ON ASX

1. OVERVIEW

Resource Star Limited (**RSL** or **Company**) is pleased to announce the Company is seeking to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules to obtain approval to relist on ASX.

The Company previously operated a retail business which focussed on internet shopping through an on-line portal.

On 6 August 2007, RSL shareholders agreed to the Company acquiring a uranium exploration company, Orion Exploration Pty Ltd, from its major shareholder, Red Rock Resources Plc (a company incorporated in the United Kingdom and listed on AIM) (**Red Rock**), together with uranium exploration rights in E29/581, a tenement in Western Australia (Yilgarn District – Mt Alfred).

As part of the arrangement, Red Rock Resources also transferred into the Company certain exploration licenses located in Malawi, Southern Africa (**Malawi Tenements**).

On 14 July 2008, RSL shareholders agreed to the Company changing the nature of its activities from a retail company, to a mining company. As part of this process, the Company was required to re-comply with Chapters 1 and 2 of the ASX Listing Rules in order to re-list onto ASX.

In accordance with the re-compliance process, the Company lodged a prospectus in July 2008, together with supplementary prospectus comprising a general offer and a non-renounceable entitlement issue. As announced in January 2009, due to downturn in the economic market, the Company withdrew the offers under the prospectus. The Company's shares have remained suspended from trading.

The Company has been actively pursuing additional opportunities to enhance its project portfolios, before returning to the market. Please refer to Section 4 of this announcement for further information in relation to recently settled and proposed acquisition transactions undertaken by the Company.

The Company has otherwise been maintaining its existing tenements in good standing, in anticipation of successfully raising the required funds to enable re-listing and recommencement of field activities. The Board of Directors have resolved, in the best interests of its Shareholders, that now is an appropriate time to proceed to raise capital and seek re-listing of the Company on the ASX.

The Company intends to undertake a placement of up to 3,742,475 million shares at an issue price of \$0.16 (**Placement**). It is intended that the shares the subject of the Placement will be offered to institutional and sophisticated investors without disclosure in accordance with Section 708 of the Corporations Act, and issued under the Company's 15% placement capacity afforded by ASX Listing Rule 7.1 The funds raised from the Placement will be used for re-listing expenses and as general working capital.

Following the Placement and subject to obtaining the approval of its shareholders, the Company proposes, to undertake further capital raising by way of a public offer of up to 25,000,000 fully paid ordinary shares (**Shares**) in the capital of the company at an issue price of 20 cents per Share, to raise up to \$5,000,000 (**Offer**). The Offer will be made pursuant to a prospectus (**Prospectus**). The Prospectus will assist with the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules in order to re-list onto ASX.

At the time of reinstatement, it is believed the Company will have sufficient working capital to complete its proposed short to medium term exploration objectives.

2. CAPITAL RAISING MANDATE WITH ALLEGRA CAPITAL

The Company has entered into a mandate with Allegra Capital Pty Ltd (**Allegra**) pursuant to which Allegra has been appointed Corporate Advisor and Lead Manager to the Company for the Placement and the Offer (**Mandate**).

Under the Mandate Allegra will be paid the following fees (all exclusive of GST):

- a) management and placement fee of 6% of the gross amount raised under the Offer;
- b) success fee of \$100,000 for the completion to the Offer; and
- c) corporate advisory fee of \$5,000 per month, commencing at the completion of the Placement until 12 months following the Company being re-listed on ASX.

3. ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Company will soon despatch a Notice of Meeting to Shareholders relating to its Annual General Meeting to be held on 23 November 2009. A full Explanatory Statement will accompany that Notice of Meeting, explaining in detail the resolutions to be put to Shareholders for approval.

At the Annual General Meeting, the Company will seek (amongst other resolutions) approval to issue the shares under the Offer as part of the re-compliance process.

4. RESOURCE STAR ASSETS AND PROSPECT HIGHLIGHTS

RSL has been maintaining its portfolio of exploration assets, including compliance with reporting obligations, lease payments and other regulatory requirements, and where possible undertaking low level, but critical exploration activities in both the office and the field. In addition measures have been taken to improve the Company's position in key project areas.

The Company has also been reviewing a large number of potential acquisitions, and with the assistance of its major shareholder Red Rock, progress has been made with some of them outlined below.

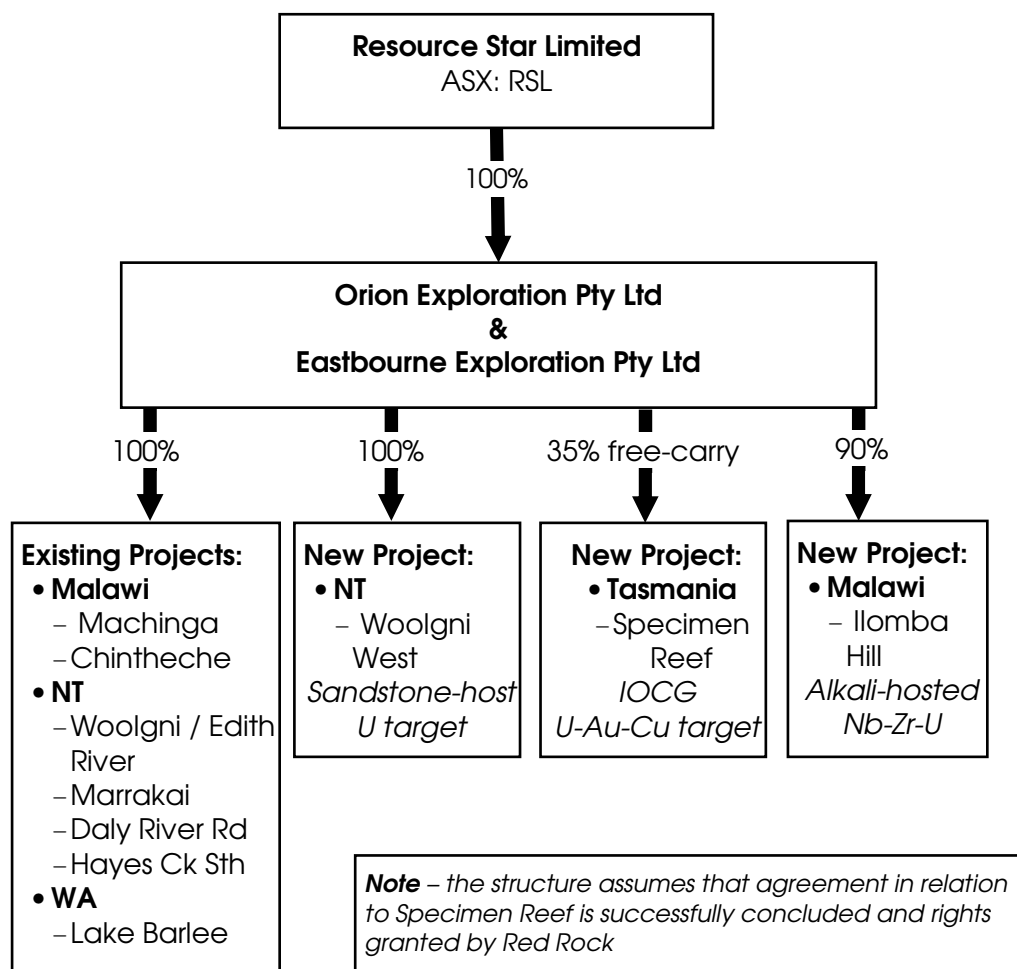
As recently announced, RSL has received approval for the addition of an extensive suite of minerals found to be associated with uranium at the Machinga Project in Malawi. Similar to Globe's Kanyika Nb-Zr Project in Malawi, which has just entered the Feasibility Study stage, Machinga has strongly anomalous niobium, zircon, uranium, tantalum and rare earth elements in reconnaissance rock chip sampling. RSL has also recently applied for an extension of the Machinga exploration permit to cover areas to the south and east that might contain extensions or repetitions of the mineralisation seen to date.

Also as recently announced, at the Edith River Project in the Northern Territory RSL has consolidated its position by purchasing three tenements to the west of the existing RSL tenements which provide some additional coverage of extensions of existing targets, but provides an additional target with airborne uranium channel radiometric anomalies in an area of mapped sandstone units which are potential hosts for redox uranium.

In Malawi a deal has been concluded with Red Rock for the acquisition of 90% of an exploration tenement over the Ilomba Hill alkali intrusion complex where historical reports of up to 7.5% Nb₂O₅ and 575ppm U₃O₈, along with zircon and rare earth minerals indicate prospectivity for further Kanyika-style mineralisation. Red Rock has undertaken to transfer this asset to the Company at cost.

In Tasmania a deal is under discussion where a Red Rock tenement will be taken over by an upcoming IPO company for the retention of 35% free-carried up to the level of \$10,000,000 in expenditure. The tenement is to be developed as an IOCG project, and there is a reported drill intersection of 0.2m @ 910 g/t Au with percent-level uranium in a quartz-carbonate-brannerite vein. Should this transaction proceed, Red Rock has undertaken to offer the carried interest to RSL.

As at the date of the Company making the Offer under the Prospectus, the Company's portfolio is expected to be as set out below:



5. CAPITAL STRUCTURE

On the basis that the Company completes the Placement and the Offer on the terms set out above, the Company’s capital structure will be as follows:

Shares	Number
Shares on issue	35,683,179
Shares offered under the Placement	3,742,475
Shares offered under the Offer (including oversubscriptions)	25,000,000
TOTAL NUMBER OF ORDINARY SHARES	64,425,654

Performance Shares	
Convertible Performance Shares on issue	1,176,471
Options	
\$4.437 options, expiring on 15 December 2009	78,432
\$4.879 options, expiring on 15 December 2010	78,432
\$5.338 options, expiring on 15 December 2011	78,432
\$4.25 options, expiring on 15 December 2009	194,118
TOTAL NUMBER OF OPTIONS	429,414

6. BALANCE SHEET

A draft pro-forma Balance Sheet for the Company incorporating the effect of the Placement and the Offer is located at the end of this announcement.

7. ANTICIPATED TIMETABLE

The anticipated timetable for completion of the Offer and the balance of the matters referred to above is set out below:

<u>Event</u>	<u>Date</u>
Dispatch Notice of Annual General Meeting seeking approval for Acquisition	23 October 2009
Lodgement of Prospectus with the ASIC	16 November 2009
Annual General Meeting to approve offer of shares under Prospectus	23 November 2009
Opening of Offer under the Prospectus	23 December 2009
Closing Date of Offer under the Prospectus	14 December 2009
Anticipated date the suspension of trading is lifted and RSLs securities commence trading again on ASX	21 December 2009

PRO-FORMA BALANCE SHEET

The Placement and the Offer will have an effect on the Company's financial position. Set out below are unaudited pro forma consolidated balance sheets of the Company as at 30 June 2009 incorporating the effects of the maximum and minimum Placement and the Offer before issue costs.

Minimum raising of \$2,500,000

Notes	Audited 30 June 2009 \$	Proforma adjustments \$	Unaudited Proforma Post Capital Raising \$
ASSETS			
Current assets			
Cash and cash equivalents	128,904	2,500,000	2,628,904
Trade and other receivables	12,359	-	12,359
Other current assets	7,468	-	7,468
Total current assets	148,731	2,500,000	2,648,731
Non-current assets			
Deferred exploration expenditure	2,719,902	-	2,719,902
Plant and equipment	3,449	-	3,449
Total non-current assets	2,723,351	-	2,723,351
TOTAL ASSETS	2,872,082	2,500,000	5,372,082
LIABILITIES			
Current liabilities			
Trade and other payables	44,525	-	44,525
Employee benefits	22,384	-	22,384
Total current liabilities	66,909	-	66,909
Non-current liabilities			
Interest-bearing liabilities	248,651	-	248,651
Total non-current liabilities	248,651	-	248,651
TOTAL LIABILITIES	315,560	-	315,560
NET ASSETS	2,556,522	2,500,000	5,056,522
EQUITY			
Issued capital	28,626,314	2,500,000	31,126,314
Reserves	31,920	-	31,920
Accumulated losses	(26,101,712)	-	(26,101,712)
TOTAL EQUITY	2,556,522	2,500,000	5,056,522

Maximum raising of \$5,000,000

Notes	Audited 30 June 2009 \$	Proforma adjustments \$	Unaudited Proforma Post Capital Raising \$
ASSETS			
Current assets			
Cash and cash equivalents	128,904	5,000,000	5,128,904
Trade and other receivables	12,359	-	12,359
Other current assets	7,468	-	7,468
Total current assets	148,731	5,000,000	5,148,731
Non-current assets			
Deferred exploration expenditure	2,719,902	-	2,719,902
Plant and equipment	3,449	-	3,449
Total non-current assets	2,723,351	-	2,723,351
TOTAL ASSETS	2,872,082	5,000,000	7,872,082
LIABILITIES			
Current liabilities			
Trade and other payables	44,525	-	44,525
Employee benefits	22,384	-	22,384
Total current liabilities	66,909	-	66,909
Non-current liabilities			
Interest-bearing liabilities	248,651	-	248,651
Total non-current liabilities	248,651	-	248,651
TOTAL LIABILITIES	315,560	-	315,560
NET ASSETS	2,556,522	5,000,000	7,556,522
EQUITY			
Issued capital	28,626,314	5,000,000	33,626,314
Reserves	31,920	-	31,920
Accumulated losses	(26,101,712)	-	(26,101,712)
TOTAL EQUITY	2,556,522	5,000,000	7,556,522

Competent Person

The information in this report that relates to Exploration Results is based on information compiled by Mr Richard Evans, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Evans is a full-time employee of the Company and has sufficient experience which is relevant to the styles of mineralisation and type of deposits under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Evans consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.